

Message Text

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ACTION EA-12

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-05 H-01 INR-10
L-03 NSAE-00 NSC-05 PA-01 SP-02 SS-15 ICA-11
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-----002743 091011Z/12

R 090610Z JUN 78
FM AMCONSUL SYDNEY
TO SECSTATE WASHDC 8418
INFO AMEMBASSY CANBERRA
AMCONSUL MELBOURNE
AMCONSUL BRISBANE UNN
AMCONSUL PERTH UNN

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E.O. 11652: N/A
TAGS: PINT, AS
SUBJ: RIGHT WING DOMINATES STATE AUSTRALIAN LABOR
PARTY (ALP) CONFERENCE

SUMMARY: RIGHT-WING MODERATES DOMINATED THE NEW SOUTH WALES (NSW) ALP CONFERENCE JUNE 3-5 UNDER THE LEADERSHIP OF PARTY BOSS JOHN DUCKER AND IN SUPPORT OF THE POLICIES OF THE WRAN LABOR GOVERNMENT. IN HIS OPENING ADDRESS DUCKER RAISED THE QUESTION OF WHETHER SOCIALISM OR NATIONALIZATION WERE ACCURATE OR USEFUL DESCRIPTIONS OF THE PARTY POLICY. HE SAID THE "BOGUS MILITANT STYLE" OF SOME ALP MEMBERS DAMAGED THE PARTY'S ELECTORAL CHANCES. AFTER HEATED DEBATE BETWEEN THE LEFT AND MODERATE FACTIONS, DUCKER'S REPORT WAS ADOPTED 382 TO 300, SETTING A PATTERN OF DOMINANCE BY THE MODERATE FACTION WHICH CONTINUED THROUGHOUT THE THREE DAY CONFERENCE. WE VIEW THE OUTCOME AS IMPROVING LABOR'S CHANCES FOR SUCCESS IN THE NEXT STATE ELECTION TO BE HELD WITHIN TWELVE MONTHS AND AS ASSURING THAT THE STATE GOVERNMENT WILL

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ALMOST CERTAINLY CONTINUE TO ENCOURAGE FOREIGN INVESTMENT AND TO AVOID FRIGHTENING THE MASS MIDDLE CLASS VOTERS IN NSW. END SUMMARY.

1. MOST OF THE EXCITEMENT OF LAST WEEKEND'S NSW LABOR PARTY CONFERENCE WAS PACKED INTO THE FIRST SESSION ON SATURDAY MORNING WHEN PARTY BOSS JOHN DUCKER'S

PRESIDENTIAL ADDRESS WAS DEBATED. MR. DUCKER, A LEADING MODERATE AND ARCHITECT OF THE PARTY'S RECENT SUCCESS IN THIS STATE, BLAMED THE BOGUS MILITANT STYLE OF SOME ALP MEMBERS FOR DAMAGING THE PARTY'S ELECTORAL CHANCES NATIONALLY AND SPECIFICALLY QUESTIONED WHETHER THE CONTINUED USE OF THE WORD SOCIALISM WAS NOT A DISADVANTAGE TO THE PARTY. DUCKER SAID THE ACTIVITIES OF COMMUNIST COUNTRIES WHICH DESCRIBE THEMSELVES AS SOCIALIST HAS BROUGHT THE WORD INTO GRAVE AND WIDESPREAD DISREPUTE. "IF AS A PARTY WE ARE COMMITTED TO THE DESCRIPTION," HE SAID, "THEN LET US FIGHT TO BRING IT BACK TO GOOD REPUTE, BUT IF AS A PARTY WE DECIDE IT IS NOT ACCURATE, THEN LET'S DO SOMETHING ABOUT IT." "LIKEWISE," HE SAID, "IF WE NO LONGER BELIEVE IN NATIONALIZATION, WHY LOSE VOTES BY DECLINING TO MAKE THIS CLEAR." IN HEATED DEBATE, DUCKER'S VIEWS WERE OPPOSED BY THE LEFT FACTION HEADED BY LABOR MP TOM UREN, FORMER DEPUTY OPPOSITION LEADER, AND BY ASSISTANT GENERAL SECRETARY, B.K. CHILDS. DUCKER'S VIEWS WERE SUPPORTED BY BARRIE UNSWORTH, ASSISTANT SECRETARY, LABOR COUNCIL OF N.S.W., AND PAUL KEATING, SHADOW MINISTER FOR MINERALS AND ENERGY. THE 382 TO 300 VICTORY BY THE MODERATE FACTION SET THE TONE FOR THE REST OF THE CONFERENCE AND PERCEPTIBLY BRIGHTENED LABOR'S PROSPECTS IN THE NEXT STATE ELECTION.

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2. THE SIGNIFICANCE OF THE MODERATE VICTORY IN SYDNEY WAS FURTHER ENHANCED BY THE NEARLY SIMULTANEOUS VICTORY OF THE MODERATE FORCES IN THE VICTORIAN ALP WHERE, BY A NARROW VOTE OF 179-177, THE OBJECTIVE OF SOCIALIZATION OF INDUSTRY WAS REMOVED FROM THE PARTY'S PLATFORM. THE OBJECTIVE OF THE MODERATES IS CLEARLY TO REMOVE ALL REFERENCES TO SOCIALISM FROM THE PARTY'S FEDERAL PLATFORM AT THE NEXT NATIONAL CONFERENCE IN JULY 1979.

3. THE SUBJECT OF INDUSTRIAL DEMOCRACY RECEIVED CONSIDERABLE ATTENTION IN THE ADOPTION OF A REPORT BY A COMMITTEE HEADED BY BARRIE UNSWORTH WHICH POSTPONED THE OBJECTIVE OF LABOR PARTICIPATION ON BOARDS OF DIRECTORS INTO THE INDEFINITE FUTURE, THEREBY REVERSING THE POSITION OF THE 1975 STATE CONFERENCE. THE NEW REPORT CALLED FOR THE GOVERNMENT TO ESTABLISH AN INSPECTORATE AND ADVISORY BUREAU AND A JOB ENRICHMENT BUREAU, NEITHER OF WHICH WOULD REQUIRE LEGISLATION, AND SUGGESTED EMPOWERING THESE NEW ENTITIES TO ASSIST UNIONS AND EMPLOYERS TO INTRODUCE FORMS OF JOINT CONSULTATION. ON THIS SUBJECT ALSO THE LEFT PUT UP A SPIRITED BUT LOSING BATTLE.

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4. OPPOSITION LEADER TOM HAYDEN ADDRESSED THE MEETING ON SATURDAY AND TOOK THE POSITION THAT THE CLOSENESS OF THE LABOR PARTY'S LINKS WITH THE TRADE UNIONS CAN BE USED TO HARM IT IN THE EYES OF THE ELECTORATE AS A PARTY OF SECTIONAL INTERESTS. STUDIES HAVE BEEN PREPARED SUGGESTING THAT THE PARTY CAN BROADEN ITS BASE OF SUPPORT BY CREATING CLOSER DIRECT TIES WITH THE COMMUNITY OUTSIDE THE UNION FRAMEWORK. THIS SUBJECT IS A PARTICULARLY TOUCHY ONE SINCE UNION DELEGATES CURRENTLY HAVE OVERWHELMING CONTROL OF ALL PARTY CONFERENCES AND COMMITTEES AND MAY NOT BE ANXIOUS TO RELINQUISH THEIR POWER TO COMPETING INTERESTS, EVEN IF THE PARTY'S ELECTORAL PROSPECTS WOULD BE THEREBY IMPROVED.

5. COMMENT: THE CLEAR DOMINANCE OF THE MODERATE WING OF THE PARTY COMES AS NO SURPRISE, GIVEN THE TIGHT HOLD ON PARTY POLICY CURRENTLY EXERCISED BY JOHN DUCKER AND PREMIER WRAN. THE PREMIER CONTINUED HIS CAMPAIGN TO ENCOURAGE FOREIGN INVESTMENT WHICH WAS THE HIGHLIGHT OF HIS RECENT VISIT TO THE UNITED STATES BY

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SPEAKING AT THE SYDNEY ROTARY CLUB WHILE THE PARTY CONFERENCE WAS IN PROGRESS. HE SAID THE DAYS OF THE FEAR OF MONEY COMING IN FROM OVERSEAS SHOULD HAVE LONG SINCE GONE. THERE IS NO MAJOR INDUSTRY IN AUSTRALIA WHICH HAS BEEN DEVELOPED WITHOUT OVERSEAS FUNDS AND THAT IS SO NOT ONLY IN THE SPHERE OF PRIVATE ENTERPRISE BUT ALSO IN THE GOVERNMENT. STATING THAT HIS GOVERNMENT RECOGNIZED THAT NSW WAS A PRIVATE ENTERPRISE COMMUNITY IN WHICH 4 OUT OF 5 PEOPLE WERE EMPLOYED BY THOSE WHO INVEST THEIR CAPITAL IN THE HOPE OF MAKING A PROFIT, WRAN CONCLUDED BY SAYING THAT "IT IS OUR TASK TO SUPPORT EMPLOYERS AND INVESTORS AND CREATE A CLIMATE IN THIS STATE AND INDEED THE WHOLE OF AUSTRALIA WHERE PEOPLE ARE PREPARED TO INVEST THEIR MONEY." IN THE SUITE SPEECH, WRAN PRAISED THE ANTI-INFLATION EFFORTS OF PRIME MINISTER FRASER, UNDOUBTEDLY IRRITATING NATIONAL PARTY LEADERS WHO ARE STILL SMARTING FROM WRAN'S REMARKS IN THE U.S.M TO THE EFFECT THAT THE LIBERAL NATIONAL GOVERNMENT IS LIKELY TO REMAIN IN POWER FOR AT LEAST A FURTHER SIX YEARS. IN SUMMARY, THERE IS LITTLE DOUBT THAT THE STATE LABOR CONFERENCE IS ARDENTLY COURTING JOB-CREATING INVESTMENT, WHETHER DOMESTIC OR FOREIGN, AND THAT POTENTIAL U.S. INVESTORS CAN EXPECT A WARM WELCOME IN N.S.W. IN THE IMMEDIATE FUTURE.

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